16-007

SCHAUMBURG SURGERY CENTER, LLC
929 WEST HIGGINS ROAD
SCHAUMBURG, IL 60195

RECEIVED

MAR 07 2016

HEALTH FACILITIES & SERVICES REVIEW BOARD

March 1, 2016

Illinois Health Facilities and Services Review Board
Illinois Department of Public Health
525 West Jefferson Street, 2nd Floor
Springfield, Illinois 62761
Attention: Chairperson Olson

Dear Chairperson Olson:

Pursuant to 77 Ill. Adm. Code § 1110.1540(k), I hereby attest that a peer review program will be implemented before the ambulatory surgical treatment center ("ASTC") proposed by Schaumburg Surgery Center, LLC ("Applicant") becomes operational. The Applicant's program will evaluate cases and determine whether or not patient outcomes are consistent with quality standards established by federal and state law and regulations, plus any applicable quality standards required by professional organizations governing ASTC services. If patient outcomes do not meet or exceed such standards, the Applicant will have a quality improvement plan in place to address substandard patient outcomes.

Furthermore, the Applicant hereby attests that, in the second year of operation after the project completion date, the annual utilization of the surgical/treatment rooms will meet or exceed the utilization standard specified in 77 Ill. Adm. Code 1100. Documentation to support this certification is provided in the Applicant's certificate of need permit application at Attachment 27(k).

Respectfully Submitted,

Ciro Cirrincione, M.D.
Manager
Schaumburg Surgery Center, LLC

NOTARY:

Subscribed and sworn to me this 1/TH day of MARCH, 2016

Notary Public

Seal:

SHELBY DOTSON
OFFICIAL SEAL
Notary Public, State of Illinois
My Commission Expires
August 23, 2016

SCHAUMBURG SURGERY CENTER, LLC
929 WEST HIGGINS ROAD
SCHAUMBURG, IL 60195

March 1, 2016

Illinois Health Facilities and Services Review Board
Illinois Department of Public Health
525 West Jefferson Street, 2nd Floor
Springfield, Illinois 62761
Attention: Chairperson Olson

Dear Chairperson Olson:

Pursuant to 77 Ill. Adm. Code § 1120.140, I hereby attest that Schaumburg Surgery Center, LLC (the "Applicant") will fund its proposed ambulatory surgical treatment center (the "ASTC") entirely with cash. The cash to cover the project's cost, above the fair market value of the lease, will come from the sale and purchase of investment securities, specifically, the purchase of membership units ("Units") in the Applicant's limited liability company by qualified physician investors. The funds will be available once each physician investor named in the accompanying certificate of need ("CON") permit application completes the purchase of their respective number of Units. The Applicant is not lending funds to any physician investor to complete his or her purchase of Units.

Each of the physician investors separately provided the State Board with a certified statement, indicating that he or she had ample financial resources to make such investment and is financially capable of purchasing the Units. In addition, the Applicant asked each physician investor to independently complete an "Investor Qualification Statement" certifying that he or she is an "accredited investor" as that term is understood under federal and state securities laws. The Applicant uses the statement to comply with federal and state securities laws. The Applicant has obtained a completed statement from each physician investor. A copy of the Investor Qualification Statement is attached to this letter as Exhibit A.

Respectfully Submitted,

Ciro Cirrincione, M.D.
Manager
Schaumburg Surgery Center, LLC

NOTARY:

Subscribed and sworn to me this 4TH day of MARCH, 2016

Notary Public

Seal:

SHELBY DOTSON
OFFICIAL SEAL
Notary Public, State of Illinois
My Commission Expires
August 23, 2016

EXHIBIT A

SCHAUMBURG SURGERY CENTER, LLC

Investor Qualification Statement

To Be Completed by Investor Concurrent with Delivery of a Subscription Agreement

The undersigned investor (the "Investor") understands that the membership units (the "Membership Units") being offered by Schaumburg Surgery Center, LLC (the "Company") will not be registered under the Securities Act 1933, as amended (the "Securities Act"), or the laws of any state. The Investor also understands that in order to ensure that the offering and sale of the Membership Units are exempt from registration under the Securities Act and state law, the Company is required to have reasonable grounds to believe, and must actually believe, after making reasonable inquiry that all purchasers, or their respective representative, if any, are able to evaluate the merits and risks of the investment, and where a purchaser representative has been retained, that all such purchasers are able to bear the economic risk of the investment.

The Investor understands that the information provided in this notice will not be disclosed to anyone, without the Investor's express written consent, except such consent will not be required for disclosure to: (a) the Company and its officers, employees, accountants, and legal counsel; and (b) if it is necessary for the Company to use such information to support the exemption under the Securities Act and state law.

BECAUSE THE COMPANY WILL RELY ON THE UNDERSIGNED INVESTOR'S ANSWERS PROVIDED BELOW IN ORDER TO COMPLY WITH FEDERAL AND STATE SECURITIES LAWS, IT IS IMPORTANT THAT THE UNDERSIGNED INVESTOR CAREFULLY ANSWERS EACH APPLICABLE QUESTION. ANY INVESTOR WHO PURCHASES UNITS IN THE COMPANY MAY BE HELD LIABLE FOR ANY MISSTATEMENT OR OMISSION IN THIS QUESTIONNAIRE.

In order to induce the Company to permit the undersigned Investor to purchase Membership Units in the Company, the undersigned Investor hereby represents as follows:

1. To ensure that Membership Units are sold pursuant to an appropriate exemption from registration under applicable federal and state securities laws, the undersigned Investor is furnishing certain information to the Company by checking all boxes preceding any statement below that is applicable to the Investor. By checking one of the boxes below, the undersigned Investor represents that he or she is an "accredited investor" as that term is defined under Rule 501(a) of Regulation D under the Securities Act ("Accredited Investor").

   For the purposes of this questionnaire, "Accredited Investor" shall mean an individual who: (a) is a natural person whose individual net worth, or joint net worth with his or her spouse, exceeds One Million Dollars ($1,000,000.00), excluding the value of the Investor's principal residence; (b) is a natural person who had an individual income (not including his

or her spouse's income) in excess of Two Hundred Thousand Dollars ($200,000.00) in each of the two most recent years, or joint income with his or her spouse in excess of Three Hundred Thousand Dollars ($300,000.00) in each of those years, and who reasonably expects reaching the same income level in the current year; or (c) is a director or executive Officer of the Company or a member of its Board of Managers.

The undersigned Investor hereby certifies that the information contained in each of the following checked statements (to be checked by the Investor only if applicable) is true and correct and hereby agrees to immediately notify the Company of any changes to said responses which should occur in such information prior to the Company's acceptance of any subscription.

☐ The undersigned Investor is a natural person whose individual net worth or joint net worth with that person's spouse as of the date hereof is in excess of One Million Dollars ($1,000,000.00), excluding the value of the Investor's principal residence.

☐ The undersigned Investor is a natural person who had an individual income in excess of Two Hundred Thousand Dollars ($200,000.00) in each of the two most recent years or joint income with that person's spouse in excess of Three Hundred Thousand Dollars ($300,000.00) in each of those years and has reasonable expectation of reaching the same income level in the current year.

☐ The undersigned Investor is a corporation, partnership, or trust with total assets in excess of Five Million Dollars ($5,000,000.00) not formed for the specific purpose of acquiring Membership Units in the Company, whose purchase is directed by a sophisticated person as described in Rule 506(b)(2)(ii) of Regulation D under the Securities Act.

☐ The undersigned Investor is an employee benefit plan within the meaning of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), and either the investment decision has been made by a plan fiduciary, as defined in Section 3(21) of ERISA, which is either a bank, savings and loan association, insurance company, or registered investment adviser, or the employee benefit plan has total assets in excess of Five Million Dollars ($5,000,000.00), or is a self-directed plan, investment decisions are made solely by persons that are Accredited Investors.

☐ The undersigned Investor is a private business development company, as defined in Section 202(a)(22) of the Investment Advisers Act of 1940.

☐ The undersigned Investor is an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Code"), corporation, Illinois or similar business trust, or partnership, not formed for the specific purpose of acquiring Membership Units in the Company, with total assets in excess of Five Million Dollars ($5,000,000.00).

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☐ The undersigned Investor is a bank as defined in Section 3(a)(2) of the Securities Act, or a savings and loan association or other institution as defined in Section (3)(a)(5)(A) of the Securities Act, whether acting in its individual capacity for its own account or fiduciary capacity for the account of a qualified eligible participant.

☐ The undersigned Investor is a broker or dealer registered pursuant to Section 15 of the Securities Exchange Act of 1943, as amended.

☐ The undersigned Investor is an insurance company as defined in Section 2(13) of the Securities Act acting for its own account of for the account of a qualified eligible participant.

☐ The undersigned Investor is an investment company registered under the Investment Company Act of 1940, as amended (the "Investment Act"), or a business development company as defined in Section 2(a)(48) of the Investment Act, and was not formed for the specific purpose of investing in the Company.

☐ The undersigned Investor is a Small Business Investment Company licensed by the U.S. Small Business Administration under Section 301(c) or (d) of the Small Business Investment Act of 1958, as amended.

☐ The undersigned Investor is a plan established and maintained by a state, its political subdivisions, or any agency or instrumentality of a state or its political subdivisions, for the benefit of its employees, if such plan has total assets in excess of Five Million Dollars ($5,000,000.00).

☐ The undersigned Investor is an entity in which each of the equity owners are Accredited Investors as defined in Rule 501(a) of Regulation D under the Securities Act.

2. The undersigned Investor hereby certifies that the information contained in the following statements is true and correct and agrees to notify the Company of any changes that should occur in such information prior to the Company's acceptance of this subscription.

☐ The undersigned Investor has retained a financial or investment advisor, broker, attorney, or accountant (purchaser representative) to assist the Investor in evaluating the potential risks and merits of this investment and to advise the Investor with respect to this specific offering. The name, address, and occupation of the Investor's purchaser representative is:

_____

_____

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☐ The undersigned Investor has not retained a financial or investment advisor, broker, attorney, or accountant (purchaser representative) to assist the Investor in evaluating the potential risks and merits of this investment and to advise the Investor with respect to this specific offering.

☐ The undersigned Investor received from the undersigned Investor's purchaser representative a written statement disclosing any material relationship between the purchaser representative or the purchaser representative's affiliates, if any, and the Company or the Company's affiliates which exist, may exist, or have existed at any time during the previous two (2) years, and any compensation received or to be received as a result of such relationship.

NOTE: Each Investor purchasing Membership Units in the Company by this subscription must complete the Purchaser Representative Acknowledgment in the form attached to the Subscription Agreement.

3. Check the statement below, if applicable:

☐ The undersigned Investor represents, warrants, and certifies that he or she is a United States citizen or resident for purposes of United States taxation and that such Investor will notify the Company within sixty (60) days of a change to foreign status.

☐ The undersigned Investor is an employee benefit plan within the meaning of ERISA (including both 401(k) and other types of defined contribution plans) that permits participant-directed investments.

4. In order to induce the Company to permit the undersigned Investor to purchase the Membership Units, the Investor hereby represents as follows:

A. My full name, primary residence address, home and telephone numbers, e-mail address, marital status, age, and social security number is:

Name: _____

Address: _____

Phone: _____ Mobile: _____

E-Mail: _____

Marital Status: ☐ Married ☐ Single

Age: _____ Social Security Number: _____ - _____ - _____

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B. My firm name, business address, business telephone number, and the nature of the business is:

Firm Name: _____

Address: _____

_____

Phone: _____

Business: _____

C. My Occupation and Title is:

Occupation/Title: _____

Length of Time in Position: _____

D. Other Business Affiliations (e.g., majority ownership interests, minority ownership interests, service on board of directors/managers, etc.):

_____

_____

_____

_____

_____

Note: Attach separate page if additional space is needed.

E. For the purpose of complying with certain state securities laws, please provide the following information:

State in which you file income tax returns: _____

State in which you have driver's license: _____

State in which you are registered to vote: _____

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F. Do you intend to purchase Membership Units in the Company solely for your own account:

☐ Yes ☐ No

If the answer to question F is no, please indicate who else would have a direct or indirect interest in the Membership Units purchased and the nature of that interest:

_____

_____

_____

Note: Attach separate page if additional space is needed.

G. Summarize your previous investment experience:

(i) Do you have a brokerage account? ☐ Yes ☐ No

(ii) Have you ever before bought securities that were exempt from federal and state registration (private placement offerings)? ☐ Yes ☐ No

(iii) Have you ever invested in an issuer whose form of business was a limited partnership or limited liability company? ☐ Yes ☐ No

If yes to (iii), which of the following is true:

☐ Once
☐ Twice
☐ Three or More Times

H. I am able to bear the economic risk of an investment in the Company, including, without limiting the generality of the foregoing, the risk of losing part of all of my investment in the Membership Units and the probably inability to sell or transfer the Membership Units for an indefinite period of time.

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I. I represent and warrant that the information contained in this questionnaire is complete, true and correct, and that I will notify the Company immediately of any material change in any statement made herein occurring prior to my receipt of the Company's acceptance of the subscription executed by Investor.

J. Investor acknowledges that making an investment has risks and has carefully read the "Risk Factors" described in the Private Offering Memorandum. Investor understands: (i) the risks identified in the Private Offering Memorandum; and (ii) that other risks not identified in the Private Offering Memorandum may also exist with this investment.

K. By initialing below, Investor further acknowledges and agrees to the following:

Investor,

_____ Acknowledges that no registration statement is now on file with the U.S. Securities and Exchange Commission or any state securities commission with respect to any Units in the Company, and the Company has no obligation or current intention to register such Units under the Securities Act or similar state securities laws;

_____ Is acquiring the Membership Units for his, her, or its own account, and not for resale; has not learned of the investment via publication or any advertising; is an Accredited Investor (subject to limited exceptions as agreed to by the Company's Board of Managers and consistent with federal and state securities laws); and has business and financial expertise sufficient to understand the terms of the investment and to protect his, her or its own interests;

_____ Acknowledges that the Company has relied upon the fact that the membership Units in the Company are to be held by the Members solely for investment and that the exemptions from registration under the Securities Act and corresponding state securities laws would be unavailable if the Membership Units in the Company were acquired by the Investor with a view to distribution;

_____ Acknowledges that this investment and/or the Investor joining the Company's Operating Agreement, does not conflict with or violate any other agreement to which the Investor is a party;

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_____ Acknowledges that, pursuant to the Company's Operating Agreement, Investor (as a Member) may not resell his, her or its Membership Units, except as provided for in the Company's Operating Agreement;

_____ Acknowledges that Investor (as a Member) is expected to be substantially involved in the operations of the Company, and does not expect a return on his, her or its investment due to the efforts of others; and

_____ Acknowledges that signing the Company's Operating Agreement will not require the Company to be bound by any other agreement (and does not violate any other agreement) to which the Investor is a party, such as a collective bargaining agreement, an anesthesia agreement, or any other agreement.

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ACCEPTANCE:

The undersigned Investor hereby acknowledges and agrees that the statements made herein are true and correct.

INVESTOR:

_____
Signature

_____
Printed Name

_____
Date